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**Penetration and Subversion:
The Soviet Assault on the
Underdeveloped Countries**

The Communist leaders of Russia and China are currently waging a vast and vigorous campaign to wrest the underdeveloped countries of the Free World away from Western influence and to isolate the industrial West. Believing that the big capitalist powers cannot long survive without colonial dependencies, Communist Bloc leaders view the winning of these areas as signalling the death of capitalism and the triumph of Communism throughout the world. The prime weapon in this campaign is now economic penetration, supplemented by the traditional Communist devices of political subversion and propaganda.

From the earliest days of the Soviet state subversion and propaganda have been the favored means of disseminating Communist ideology and expanding Soviet power in the colonial areas. Tactics have varied widely, depending on the world situation and on the Kremlin's evaluation of particular circumstances and prospects in a given target area. While some situations have seemed appropriate for armed revolt or a direct Communist seizure of political power, different circumstances have evoked less violent tactics. Communist front organizations have brought together laborers, students, women, and other groups to serve the Communist cause, while local Communist recruits have been trained and instructed to join and direct the work of cooperatives, unions, local government organs, communications media, and other key organizations.

In the early post-war years the Soviet Union promoted and supported armed Communist-led revolts in Greece, Malaya, the Philippines, and elsewhere. In the underdeveloped countries local Communist movements were supported, while non-Communist nationalist leaders were vilified as lackeys of imperialism. The surprising strength of the new nations in the face of Communist pressures, and the unexpected resistance of the entire Free World to Communist aggression in Korea and Indo-China, called for a radical change in tactics. The new policy, first implied by the Soviet peace offensive in 1951-52, was made explicit by Khrushchev at the important 20th Party Congress of the USSR in 1956. For the first time official Communist sanction was given the "bourgeois elements" in the underdeveloped countries who were struggling for "national liberation," and the Bloc stood ready to support non-Communist "leaders in the national struggles." This new posture provided a doctrinal basis for the Bloc's trade-and-aid program, which burgeoned after 1955. Bloc economic favors could now be legitimately bestowed on the new national regimes--even on those which were anti-Communist.

Following the new line, Communist subversion and propaganda were directed toward undermining pro-Western governments in the former colonies and supporting emerging nationalist groups in their bid for power. Once in power these groups would then, it was thought, be receptive to Bloc political and economic overtures in the future.

For its operations in these areas the Bloc has acknowledged, in fact, a rough geographic division of labor. Communist Chinese activity is concentrated in Southeast Asia while the USSR and the European Satellites focus attention largely on the Middle East and Africa. Increasing attention by both the USSR and Communist China is being directed to Latin America. In addition to Bloc subsidization of local Communist Parties and underground organizations, current and future Communist leaders are trained in special schools in the USSR and Communist China.

The mechanisms for controlling and coordinating the various Bloc subversive efforts in the underdeveloped areas have been recently improved by an increase in the number of plenary and regional meetings of Communist Party leaders, an increase in contacts with Bloc diplomatic representatives abroad, and an increase in the visits of Bloc Communist Party delegations to the underdeveloped areas for review and consultation.

The tactics employed in the Bloc's effort vary according to the situation prevailing in the target country. In Iraq and the USSR campaigns for the recognition of the Communist Party are vigorously pursued. In Latin America anti-imperialism and cooperation with non-Communist opposition groups are stressed. In South Vietnam and South Korea Communist Chinese subversive activities support national unification as the chief vehicle for gaining influence. The considerable overseas Chinese population in Southeast Asia, especially in Malaya and Singapore, provide Communist China with a natural vehicle for carrying on subversive and propaganda activities.

Outside of the Communist fraternity, mass front organizations provide a broader base for propaganda and subversive operations. The most prominent front organizations and their claimed membership are: The World Federation of Trade Unions, 90 million; The Women's International Democratic Federation, 200 million; and The World Federation of Democratic Youth, 36 million.

Increasing familiarity with Bloc policies is featured by radio broadcasting; the number of broadcast hours from Communist

stations to Africa recently has increased by over 50 percent and also has increased substantially in Asia. Similarly effective are the sales of nominally priced Communist books, periodicals, and films. In the first six months of this year the USSR, alone, has published 7 books in 50,000 copies in Persian and 7 books in 20,000 copies in Arabic. In 1957 about 2 million copies of 16 books were published by the USSR in the native tongues of India.

Since the latter part of 1958 the USSR has openly indicated its disillusionment with many governments and neutralist movements in the underdeveloped areas. In February of this year, at the 21st Communist Party Congress of the USSR an important tactical shift was the larger role assigned to Communist Parties in these countries. Once the political independence of a country is achieved, say Soviet leaders, different class interests come to the fore, and a "progressive workers' movement" must intervene to direct the country along the path to socialism.

This most recent shift in the party line will doubtless result in greatly amplified propaganda and subversive activities on the part of the Bloc. The new line will not, however, cause any interruption in the Bloc's primary program for gaining influence in these areas: its trade-and-aid offensive. That the Bloc's campaigns of political subversion and economic penetration are programs that are pursued independently is illustrated by the substantial amount of Bloc economic aid extended to Iraq, Afghanistan, and the UAR--three countries in which the Communist Party has been outlawed.

A relatively new Communist weapon, large-scale economic penetration reflects both the current Soviet tactic of "peaceful economic competition" with capitalism and the increased capacity of the Bloc to extend material aid. In the newly-formed governments of the underdeveloped countries the Bloc has found a ready response to its economic aid overtures. When these areas pass from colonialism to independence and self-government the new leaders must, for the first time, face the overwhelming realities of economic life. Critically in need of capital and technical assistance, they are yet unwilling to acknowledge any dependence on the capitalist West--or are unable to get from it what they ask. They naturally turn to the Bloc, which has not only supported their recent struggle for independence but which stands ready to provide substantial economic aid on apparently favorable terms. Moreover Bloc leaders, aware of the new nations' pride in national sovereignty, conduct subversive and propaganda activities independently of the "correct" economic aid program and in such a way as to avoid damaging their official governmental relations with these countries.

Since 1954 the Sino-Soviet Bloc has extended credits and technical assistance designed to aid underdeveloped countries in expanding agricultural and industrial production, in improving and expanding public utilities, public health, and transportation facilities as well as satisfying demands for military equipment and military training. Whereas in the early years of the program agreements covering large developmental credits had been confined almost entirely to the Middle East and Asia, in the past two years there has been a growing receptivity to Bloc offers of assistance in African and Latin American countries.

The success of the program rests in part on the Bloc's policy of picturing the USSR and other Bloc countries as nations where the application of "scientific socialist planning" has brought rapid economic and scientific progress, and on the general acceptance of this image by an ever greater number of people in the underdeveloped countries. The techniques by which the USSR and Communist China are achieving rapid economic development are being considered by the underdeveloped countries as an approach which may better suit their particular situations than the longer-term, less forced growth patterns typical of the industrial West. This interest in Bloc methods of centralized control for achieving economic progress is reflected in the exchange of visits by government officials between Bloc and underdeveloped countries for discussions on economic planning problems and the dispatch of Bloc planning personnel to advise and instruct these countries in their program of economic development.

The governments of many underdeveloped countries have committed themselves to ambitious investment programs. Prerequisites for meeting the goals usually exceed the capital resources and technical and entrepreneurial skills which the country has available. In these circumstances, foreign economic assistance is indispensable and aid is actively sought from any quarter as long as the countries' sovereignty is not thought to be endangered. If, meanwhile, Western markets for their export commodities should contract as a result of reduced demand and falling prices, as occurred in 1957, these countries will look with more favor on establishing bilateral trade relations with Bloc countries.

Bloc financial assistance for economic development and arms has provided a framework for abiding political and economic relations with the underdeveloped countries. Extension of credit for the procurement of military equipment has been an opening wedge through which the Bloc has gained influence in the economic life of the

recipient countries. In the case of Egypt, Syria, Iraq, Yemen, Afghanistan, and Indonesia, military assistance agreements preceded economic aid agreements. The credits extended under military agreements are being utilized to equip the armed forces of these countries with Bloc arms. In the United Arab Republic, Bloc advisers are assisting in reorganizing the Egyptian and Syrian military establishments along Bloc lines and are engaged in teaching Soviet military doctrines to indigenous military personnel.

From an insignificant beginning in 1954, when total Bloc aid to Free World underdeveloped countries amounted to less than \$11 million extended by the USSR and Czechoslovakia, the Sino-Soviet Bloc's aid program rose rapidly to a total of \$348 million in 1955. The 1955 total largely was accounted for by a \$200 million Czechoslovak credit to Egypt for the purchase of arms and a Soviet credit of \$115 million to India for the Bhilai steel mill. Moreover, Hungary and East Germany joined the USSR and Czechoslovakia in extending aid.

In 1956 three more Moslem countries--Syria, Yemen, and Afghanistan--followed Egypt's lead and negotiated arms credits with the Bloc totalling over \$75 million. Total Bloc assistance reached \$654 million, nearly double that of 1955, with the largest credits extended to Yugoslavia, Afghanistan and Indonesia. China made aid commitments to the Free World for the first time in 1956, extending some \$56 million in economic aid to Cambodia, Nepal, Indonesia, and Egypt. Each of the European Satellites made at least token extensions of aid to the Free World in 1956, marking it as the first year of a Bloc-wide assistance program. Bloc trade with the countries of Asia, Africa, the Near East and Latin America also showed a gain of 40 percent over 1954.

Probably as a result of the internal problems of Bloc countries, in 1957 new extensions of aid to the underdeveloped countries were much less than in the previous year, amounting to only \$285 million. Despite intra-Bloc dislocations following the Satellite revolts of 1956, trade between the Bloc and the countries of Asia, Africa, and the Near East continued to increase. Two more countries, Ceylon and Turkey, were extended nominal economic aid by the Bloc, the largest amount extended as a grant of \$16 million from China to Ceylon. Additional arms credits, amounting to \$45 million, were extended to Egypt and Syria by the Soviet Union. To assist Syria in its economic development, the USSR extended a \$150 million line of credit and Czechoslovakia extended over \$11 million toward construction of the important oil refinery at Homs.

An increase in Bloc trade with the countries of Asia, Africa, the Near East, and Latin America in 1958 was accompanied by a jump of nearly \$750 million in Bloc aid to these areas. Although, as in previous years, the USSR extended the lion's share of new credits, China and the European Satellites accounted for nearly a third of the more than \$1 billion in 1958 credits and grants. The largest items were Soviet credits extended to Egypt: \$100 million for arms, \$175 million for industrial development, and \$100 million for the first stages of work on the famous Aswan dam. Iraq received its first arms aid from the Bloc--a Soviet credit for \$125 million. The Bloc made its first breakthrough in Latin America, with a \$100 million line of credit extended by the USSR to Argentina for the purchase of petroleum equipment. In 1958 two more underdeveloped countries, Iran and Ethiopia, joined the ranks of countries receiving Bloc aid when they accepted, respectively, Polish and Czechoslovak credits totalling about \$5 million together.

In the first half of 1959 the Bloc has extended \$316 million in economic assistance to the Free World's underdeveloped countries. The most significant agreement is that signed by the USSR and Iraq, under which a line of credit of about \$135 million is to be available for such industrial development projects as a steel rolling mill, chemical plants, textile mills, etc. In other areas, progress is being made in implementing previously extended credits, as in Egypt, where the Bloc has completed extensive geophysical and other surveys. In India the first blast furnace at the Bhilai steel plant has been completed on schedule, and the plant is expected to be in full production some time in 1960. So far in 1959 over 4,500 Bloc technicians are known to have been in the underdeveloped countries to assist in their industrial and mineral development.

The evident success of the trade-and-aid program in enhancing Bloc influence and prestige in the former colonial areas and in weakening their ties with the industrial West suggests a continuation of the program of economic penetration. The current level of Bloc assistance, which is marginal in relation to the production of the Bloc, is well within its capacity to sustain over a long period of time. The chief restricting factor is the inability of the underdeveloped countries to absorb large quantities of foreign aid. Only a few of these countries have comprehensive, and integrated programs for economic development, and all are plagued by shortages of the skilled labor, power, transport, and communications which provide the base necessary for expanding industrialization. Their low productive capacities also limit their ability to generate the export surpluses required for repaying foreign aid. Moreover, many of the new nations still show a deep residual of antipathy

and suspicion toward the Bloc--particularly toward the USSR and China--and are concerned over becoming too dependent on Bloc trade and aid. Thus continued reliance on economic penetration as the prime weapon in the attempt to extend the Communist influence probably implies an increase in the number of aid recipients rather than solely an increase in the indebtedness to the Bloc of those underdeveloped countries which have already accepted Bloc aid.